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Economic Research Service

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U.S. Department of Agriculture

ERS is the main source of research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

New Data on the Web

Farm business and household survey data -Customized data summaries from ARMS

A wealth of data that describe farming in America—who, where, how, and with what outcomes. Create tailored reports from data farmers give us about their businesses, farming practices, and households.

www.ers.usda.gov/ data/arms

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This Internet-based information system allows you to manipulate various socioeconomic data series used in many ERS products at once.

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Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade, including special reports on hot topics. All reports, along with a calendar of future releases, are available at: www.ers.usda.gov/publications/outlook

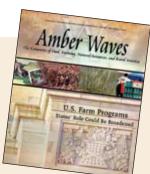
Shift Toward Contracts Expected to Continue

www.ers.usda.gov/publications/aer837

Contracting can provide benefits to producers (higher returns for differentiated farm products) and to buyers (products with desired qualities that reduce processing costs or fulfill consumer demands). *Contracts, Markets, and Prices: Organizing the Production and Use of Agricultural Commodities* finds that the shift to contracting and other forms of vertical coordination is likely to continue.

Amber Waves November 2004

Amber Waves magazine covers the full range of ERS research and analysis, including articles on food, farming, natural resources, and rural America. www.ers.usda.gov/amberwaves



Devolution of Farm Programs Could Broaden States' Role in Ag Policy

The great diversity across States in farming circumstances and policy preferences suggests that tailoring farm programs to local circumstances may be more efficient. Devolution, or the transfer of control over Federal funds to States, is one way of adapting national policies to suit local preferences more closely.

Farmland Retirement's Impact on Rural Growth

USDA's Conservation Reserve Program aims to preserve natural resources and support farm income. Its benefits to farmers and the environment are widely recognized, but concerns remain that high levels of enrollment may threaten the survival of nearby communities that provide agricultural and retail services. ERS analysis suggests that these concerns are unfounded.

U.S. Peanut Sector Adapts to Major Policy Changes

With the elimination of quotas under the 2002 Farm Act, U.S. peanut producers now respond to market forces rather than quota rights. Peanut production has risen in the Southeast, where producers have been more efficient, and has fallen in other regions. With the exit of less efficient producers, average yields have risen.

Low-Skill Jobs: A Shrinking Share of the Rural Economy

Although low-skill jobs are disproportionately found in rural areas, the rate of decline in the share of low-skill jobs was swifter there in the 1990s than in urban areas. Upgrading skills within the current mix of industries—rather than growth of new industries—was a key factor in the declining share of rural low-skill jobs.



Small Tax on Snack Foods Would Have Little Effect on Diet Quality

www.ers.usda.gov/publications/aib747/aib74708.pdf *Taxing Snack Foods: What to Expect for Diet and Tax Revenues* examines how much salty snack purchases might be reduced under varying excise tax rates and possible consumer price responses. Relatively low tax rates of 1 cent per pound and 1 percent of value would not appreciably alter consumption—

and, thus, would have little effect on diet quality or health outcomes—but would generate \$40-\$100 million in tax revenues.

The Economics of Eating Choices and Weight www.ers.usda.gov/publications/AIB791

The Role of Economics in Eating Choices and Weight Outcomes finds that differences in income, household composition, and formal education help explain variation in behaviors and attitudes that are significantly associated with weight outcomes. An economic framework helps explain how socioeconomic factors affect an individual's ability to achieve good health.

Effects of Decoupled Payments

www.ers.usda.gov/publications/aer838

Decoupled Payments in a Changing Policy

Setting examines the U.S. experience
with farm program payments that are
decoupled—i.e., not linked to current
commodity prices or production levels—
and how they have influenced farm
household spending and investment.

Devolution is Worth Considering in U.S. Agriculture Policy

www.ers.usda.gov/publications/AER836

Despite significant differences across

States in commodity production, production costs, income distribution, and opportunities for off-farm work, the move toward devolution (allowing States to decide how to spend money from Federal programs) has not occurred in U.S. agricultural policy. *A Consideration of the Devolution of Federal Agricultural Policy* finds that devolution may result in gains in efficiency and citizen well-being, but the potential for improvement must be studied more closely.



The new 2004 Farm Income Forecast is now available at www.ers.usda.gov/features/2004FarmIncome





China's Soybean Imports Still Expected To Grow

www.ers.usda.gov/publications/ OCS/Oct04/OCS04J01

Despite short-term disruptions due to policy changes, China's demand for soybeans and soybean products continues to look strong and provides favorable opportunities for U.S. soybean exports.

Japan's Wheat and Barley Policies

www.ers.usda.gov/publications/ whs/nov04/whs04I01

A detailed description and analysis of Japan's policies to support its wheat and barley producers. If Japan's policies were liberalized, its production would fall, but consumers and taxpayers would reap large gains.

Trends in U.S. Tobacco Farming

www.ers.usda.gov/publications/tbs/nov04/tbs25702

A snapshot of U.S. tobacco farm

characteristics as of 2002. It indicates, for example, that the number of farms growing



tobacco in the United States dropped from 512,000 in 1954 to 56,977 in 2002.

How to get more information . . .